

FILED

DEC 24 2014

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY [Signature] DEPUTY

W14CR284

UNITED STATES OF AMERICA,

Plaintiff,

V.

CHARLES D. JONES,

Defendant

* CRIMINAL NO. *
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*INFORMATION[VIO: 18 U.S.C. 1343 -Fraud by Wire,
Radio or Television]

THE UNITED STATES ATTORNEY CHARGES:

I. INTRODUCTION

1. The Defendant, CHARLES D. JONES, at all times relevant to this Information, was the owner of Charles D. Jones Capital Management, Inc. (CDJCM), which he founded in 1989. He was a licensed attorney and a certified financial planner. CDJCM was located at 5015 Fort Avenue in Waco, Texas.

2. CDJCM provided fee-only personalized financial planning and investment management for individuals, trusts, foundations and retirement plans. The website stated, "Our mission is to build lasting relationships with our clients, improving their lives reasonably by helping them become good stewards of their financial resources. Along the way, our goal is to provide peace of mind to our clients through trust, thoroughness, and transparency." CDJCM was a member of the National Association of Personal Financial Advisors (NAPFA).

3. CHARLES JONES graduated from Law School in 1978, was licensed the same year to practice law by the State Bar of Texas, and held himself out as an expert in the areas of wills, trusts, and probate.

4. The Defendant served as executor of Roy Cashion's estate and managed the Cashion family financial affairs from Roy E. Cashion's death in 1996 until 2013. Although Roy Cashion's Will provided for the creation of three trusts, JONES did not fund those trusts but instead operated using the Cashion Family Limited Partnership (CFLP). The Cashion estate was worth several million dollars.

5. The Defendant "managed" several client investment accounts belonging to Mark A. Gardon (Gardon), ARI JOE, Ltd. (AriJoe), which belonged to Joe Cunningham, Isle of Mann Assurance, Ltd. (IOMA), and the Judith L. Wood revocable trust (Wood).

6. CHARLES D. JONES owned and controlled an entity called Snake Ridge Investments, Ltd. (Snake Ridge).

7. JONES had an ownership investment in Legacy Support Services, Ltd. (Legacy).

II. The Scheme to Defraud

8. Beginning at least as early as 2004, and continuing to on or about November 25, 2013, in the Western District of Texas and elsewhere, the Defendant,

CHARLES D. JONES,

knowingly devised, participated in, and executed a scheme to defraud his investors, CFLP, Gardon, AriJoe, IOMA, and Wood, and to obtain money and property from his victims by means of false and fraudulent pretenses, representations and promises, and the concealment of material facts.

9. In carrying out the scheme, the Defendant, CHARLES D. JONES, gained the trust of his victims by portraying himself as an honest and transparent financial planner who would manage and safeguard their money and investments. The various victims entrusted the Defendant

with money and investments so that the Defendant could honestly manage their accounts. Instead of honestly managing and safeguarding their money and investments, the Defendant stole money and property from his various victims and used their money and property as his own personal money and investments. Some of the stolen money was used by the Defendant to invest in other entities that he had an interest in, such as Legacy and Snake Ridge. Some of the client victims' money was used to pay the Defendant's personal, family, and business expenses. The Defendant was able to cover up his fraud for many years by utilizing false tax returns, giving false information to his victims, thereby causing them unwittingly to file inaccurate tax returns, and by creating false documents and statements which hid the true nature of the victim clients' accounts.

10. To further perpetrate his fraud, the Defendant created false account statements and mailed or e-mailed them to his victim clients.

11. Defendant JONES engaged in the following, among other fraudulent deceptive acts, practices, and devices, for the purpose of carrying out the scheme to defraud:

- a. On April 28, 2005, JONES transferred \$100,000 from Gardon's account to IOMA to conceal money stolen from IOMA.
- b. On April 11, 2013, JONES transferred \$125,000 to Legacy on behalf of himself.
- c. On December 20, 2012, JONES transferred \$50,000 from AriJoe to CFLP to cover up money he had stolen.
- d. On April 29, 2005, JONES transferred \$100,000 of Gardon's money to IOMA to cover up stolen funds.
- e. On March 7, 2008, JONES transferred \$241,262.47 of Gardon's money to IOMA to cover up money stolen by JONES.
- f. On June 16, 2004, JONES transferred \$20,000 from Wood to his business Snake Ridge.

- g. On June 24, 2004, JONES transferred \$80,000 from Wood to his business Snake Ridge.
- h. On June 20, 2007, JONES transferred \$100,000 from Gardon to CFLP.
- i. In December, 2012, JONES provided false tax returns to the accounting firm of Pattillo, Brown and Hill to cover-up his theft of funds.

COUNT ONE

On or about November 12, 2012, in the Western District of Texas and elsewhere, the Defendant,

CHARLES D. JONES,

for the purpose of executing the scheme and artifice and attempting to do so, transmitted and cause to be transmitted, by means of wire and radio communications, in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds, specifically: a fraudulent wire authorization was sent via facsimile from CHARLES D. JONES Capital Management in Waco, Texas, to Charles Schwab & Co., Inc. in Orlando, Florida authorizing and causing \$150,000 to be electronically transferred from the Schwab account of AriJoe, Ltd. To Legacy Support Services, Ltd., in violation of Title 18, United States Code, Section 1343.

RICHARD L. DURBIN, JR.
Acting United States Attorney

By: 
GREGORY S. GLOFF
Assistant United States Attorney

SEALED _____

UNSEALED ☒

**PERSONAL DATA SHEET
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION**

W14CR284

DATE: 12-24 -14

MAG CT. # _____

CASE NO. _____

COUNTY: McLENNAN

JUDGE WALTER S. SMITH, JR.

ASSISTANT U. S. ATTORNEY GREGORY S. GLOFF

DEFENDANT: CHARLES D. JONES DOB: _____

CITIZENSHIP: United States ☒ Mexican _____ Other _____

INTERPRETER NEEDED: Yes _____ No ☒ Language _____

DEFENSE ATTORNEY: Robert T. Swanton, Jr.

DEFENDANT IS: In Jail NO WHERE: _____

On Bond NO

PROSECUTION BY: INFORMATION ☒ INDICTMENT _____

OFFENSE: (Code & Description): 18 U.S.C. 1343 – Fraud by Wire, Radio or Television

OFFENSE IS: FELONY ☒ MISDEMEANOR _____

MAXIMUM SENTENCE: Not more than 30 years custody; not more than \$1,000,000 fine; \$100 special assessment; not more than 5 years TSR

PENALTY IS MANDATORY: YES concerning:
Special Assessment and TSR

REMARKS: